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C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 007091

SIPDIS

E.O. 12958: DECL: 11/04/2014

TAGS: PREL PGOV ECON ENRG IZ IN US GOI SUBJECT: INDIAN LEFT NEGATIVE OVER BUSH RE-ELECTION,

WORRIED ABOUT ENERGY HIKE

REF: A. NEW DELHI 7001

¶B. NEW DELHI 5569 ¶C. NEW DELHI 7090

Classified By: DCM Robert O. Blake, Jr., Reasons 1.4 (B,D).

(C) Summary: Indian Communist Party leaders have criticized PM Manmohan Singh's warm welcome of President Bush's re-election, calling this "an attempt to please American imperialism." Interestingly, however, party spokesperson D. Raja welcomed the PM's commitment to train Iraqi election officials in India enunciated in the same letter. Other Left parties refused to comment on the US election outcome, saying they are more concerned about Indian domestic issues such as the November 4 petrol price hike and foreign direct investment. End Summary.

Reaction to US Election

12. (C) In contrast to the ruling United Progressive Alliance, India's Communists have reacted ambivalently to negatively to the re-election of President Bush. On November 4 Communist Party of India-Marxist (CPM) Politburo member MK Pandhe dismissed the congratulatory letter of PM Manmohan Singh to President Bush as "an attempt to please American imperialism." CPI spokesman D. Raja stated to Laboff on November 5 that "Bush was not positive for India in the past," and he "could not comment on how Bush will behave in past," his second term.

Concerns over Petrol Hike

(C) Rather than focusing on the US election results, our Left contacts emphasized domestic issues, asserting that they will continue to oppose UPA economic liberalization proposals, arguing that these overshadow foreign policy concerns for Indians. They pointed out that the UPA and the Left have been discussing a petrol price hike for months, and finally reached a reluctant agreement. Raja expressed concern about the increase, claiming it would further exacerbate inflation and worsen conditions for the poor. Revolutionary Socialist Party (RSP) MP Abani Roy reiterated to Laboff that the Left parties will keep close tabs on price increases of petroleum, diesel fuel, kerosene, and LPG (liquefied natural gas), and speak out if they become too egregious.

FDT

(SBU) The Left Front leaders also repeated that they remain adamantly opposed to FDI hikes in the insurance and telecom sectors. They pointed out that they agreed to an increase in civil aviation FDI from 40- 49% only because they believe it will benefit domestic airlines, and exclude foreign carriers.

Iraq

15. (C) D. Raja emphasized that the GOI should send no Indians whatsoever to Iraq, even for election monitoring. However, the CPI welcomed the Prime Minister's proposal to train Iraqi election officials in India (ref C). RSP MP Roy stated that a democratic Iraq is better for the world, adding that they would embrace training Iraqi election officials only under the auspices of the United Nations. (Comment: the GOI has not publicized the specifics of its proposal yet as explained in ref C.) Left Front leaders refused to comment on other aspects of the Bush administration's Iraq policy.

Comment

16. (C) The Left Front's discontent with the UPA's pro-US and pro-economic liberalization policies continues to grow, and its dissent from the GOI's warm welcome of another Bush Presidency comes as no surprise. As BJP leader Arun Jaitley recently pointed out, the Left increasingly behaves more like an opposition, than a supporter of the government. But, as the Prime Minister's effusive letter to President Bush demonstrates, the government is willing to ignore the Left on

many issues of importance to us. MULFORD